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**Billy R. Smith**  
**Attorney at Law**  
1331 Gemini Ave., Suite 200  
Houston, Texas 77058-2764

Telephone 281/486-9461

Telefax 281/486-1495

Board Certified in Estate Planning  
& Probate Law  
Texas Board of Legal Specialization

Board Certified in Commercial  
& Residential Real Estate Law  
Texas Board of Legal Specialization

Member, College of the State Bar of Texas

January 16, 2001

Mr. Robert Wren  
Chairman of the Board of Trustees  
Space Center Rotary Club Endowment Foundation  
P. O. Box  
Friendswood, TX 77546

Mr. David Baldwin  
President  
Space Center Rotary Club  
1210 Frontier  
Friendswood, TX 77546

RE: Joint Meeting of Boards January 9, 2001

Dear Bob and Dave:

I want to give you my impression of the joint board meeting of the boards of the Club and Endowment Foundation and to share some afterthoughts.

I believe that the meeting was timely and very beneficial. Those present that were only vaguely familiar with the history and purpose of the Foundation should have been enlightened and the impassioned Foundation Trustees and advisors were given a forum to both vent their frustrations and to urge the Club's board to reclaim ownership and responsibility. Rightfully and not unexpected, it was clear that some board members, although believing that the Foundation should continue, do not know what to do with it. They are not alone. Most of us, I believe, are struggling with the same question. Philosophically, few would argue that the Foundation is not a good idea, but why? Upon reading the purpose and vision statement as well as the intent of founders as printed in the brochure, one must agree that it is a most worthy endeavor. Then why has it not been more successful? I believe that the reason was touched upon at the joint meeting and I would like to offer my observations and opinion.

In an organization such as Rotary, which reconstitutes its leadership annually, it is difficult to carry forward the history of the club. Newer members justifiably assume that whatever is always has been.

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Similarly, the club's board mostly perpetuates the activities of their predecessors. Occasionally, a worthy new project is proposed and takes hold, e.g. the World Health Foundation, RNASA, the excellence awards, etc. The Endowment Foundation is about money and money means funding. Bob recalled for us the early years of the club when most of the funds raised were used for a single project, e.g. an ambulance for CLEMC and a van for the Seaman's Center at the ship channel. Over time, the service budget has expanded its recipients to where we are now, but the funds raised have not kept pace. Now, instead of truly having a major beneficiary, we have a few that get more than others and many who get some. It has become our "tradition" that if we satisfy a request for money one year, it becomes an expectancy the next and an obligation thereafter. We have so many legacy line items on the service budget that the process has become more one of deciding how to divide the pie than deciding who really deserves our support. I do not understand why we raise money to give to an organization who also raises funds for itself. Shouldn't we allow them to raise the funds they need and allow Rotary to raise funds for projects that need startup support? Once the policy was to give only for "bricks and mortar" and not for operating expenses. I remember a few years ago that, after giving to the various senior citizen organizations every year, the board discovered that they were using our funds to have an annual party. The board was incensed and felt the fool for not having investigated the use of the funds given each year. The seniors were incensed because they felt that they deserved the funds because they helped with the food service at Shrimporee and should not have to account for or justify use of the money.

So much for background; let me get to what I think must be done to assure the success of the Endowment Foundation. A bold and courageous change must be made. It is too late for Dave to do more than encourage his board to discuss the Foundation and consider its future. If Suzi is to do something, she must begin immediately to formulate a plan to change the way service funds are budgeted and to convince her board-elect and the club membership that a new direction and vision is in order. She must decide that the hope for the club's service to the community, both near and distant future, lies in the statements of vision, mission and intent of founders of the Foundation. The service budget must be reduced to only a few items with the Foundation as the largest and most important one. While that will be a brave and courageous position to put forth, it is perhaps the easiest of two. The second is to decide how to utilize the board and club membership if so many of the club's projects are eliminated. What will happen if forty plus committees are reduced to ten or fewer? Ours is a large club and the leadership has a responsibility, not only to the community which we serve, but to keep our members active with worthwhile endeavors. What is the solution?

We must not only think outside of the box, but we must get outside of the box. As a club, we must stop being a checkbook for the community and become involved in hands on-projects; habitat for humanity type activities. We must offer our sweat equity to the community and we will reap the benefits. What has always been the most important reason for not abandoning Shrimporee? It is not the money we raise. If every member of the club donated \$300, we would have a guaranteed service

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budget of \$45,000 or more annually — and without any effort or risk. We would have the money, but we would have little or no opportunity for members to become better acquainted with one another and for the community to see that Rotarians are more than members of a luncheon club. Shared hardship or hard work are the sources of lasting bonds and friendships.

I propose that (1) David appoint a committee to explore a change in the way service funds are used and to report to the board by May 1<sup>st</sup> its recommendations; (2) the appropriate committees be asked to consider projects that would depend more on Rotarian labor and expertise and less on Rotary money; and (3) the membership be surveyed regarding these ideas and changes. With this information, Suzi can decide if it is appropriate for her board to implement the changes. The changes will certainly not be painless or without controversy and can be either swift and immediate or gradual, but determined. Most important is deciding that the Endowment Foundation and the reasons for its existence are important enough to change a trickle of money into a flow.

Thanks for listening (reading).

Yours in Rotary service,

cc: Suzi Howe